

HAMILTON FINANCE AND ADVISORY COMMITTEE

Minutes of Meeting

March 20, 2019

Members Present: Darcy Dale, Phil Stearns (Chair), Nick Tensen and David Wanger.

Others Present:

This Hamilton Finance and Advisory Committee meeting was called to order at 7:02 pm at the Council on Aging Building.

**Public Comment**

**Discussion of remaining Warrant Articles for recommendation/voting and script review, if available.**

The script was still unavailable. There would be two reports, one from Shawn Farrell and one from Phil Stearns.

Article 1-3. The article for the Consent Agenda included Articles 2-1, 2-2, 2-7, 2-9, 2-11, and 2-15.

Article 2-1. If the article was held as a Consent Agenda item, Nick Tensen would introduce and explain the article.

Article 2-2. If the article was held as a Consent Agenda item, Darcy Dale would make the motion.

Article 2-3. John Pruellage would make the motion and explain the Capital Expenditures.

Article 2-4. Phil Stearns would make the motion and comment. The paperwork had not been signed regarding the Student Resource Office and if it was in the School Budget or Town Budget was unclear.

Article 2-5. Scott Maddern wanted to make the motion regarding School District Capital Expenditures. Phil Stearns wanted to comment on the School not doing its job regarding the topic.

Article 2-6. Nick Tensen would make the motion for the Water Enterprise Budget article. Tim Olson would be available for questions.

Article 2-7. Darcy Dale would make the motion regarding the annual financial actions and comment if a hold was called for it in the Consent Agenda.

Article 2-8. Jay Butler would make the motion. The Selectmen recommended favorable action (5-0) for projects listed: 1,2,3,5, and 6. The Community House was not included. The Selectmen approved \$50,000 for the Community House ask, matching Wenham's commitment. The FinCom had previously approved \$190,000. Nick Tensen suggested changing the FinCom position to be in concert with the Selectmen. Phil Stearns suggested adding "subsequent to this information, we have met and voted and we voted for the same as the Board of Selectmen voted upon."

Motion made by David Wanger for favorable recommendation on Article 2-8 with the understanding that on the CPC recommendation list, project 4 is reduced and limited to \$50,000 and items 1,2,3,5 and 6 remain unchanged.

Darcy Dale seconded.

Vote: Unanimous in favor.

The total CPC asks were reduced from \$571,000 to \$424,000, leaving some funding in reserves.

Article 2-9. John Pruellage would make the motion for the Consent Agenda item if it was held.

Article 2-10. Rick Mitchell would make the motion. Discussion ensued whether Darcy Dale should present her thoughts regarding how many citizens felt about the Hamilton Development Corporation receiving \$650,000 in funding for ten years without anything to show for it. The FinCom had previously approved the request. Negatives were not part of the summary and it was considered unfair to blindside Mr. Mitchell with negatives at Town Meeting. It was agreed that Ms. Dale would speak as a citizen if she chose to do so and the issues would be discussed after Town Meeting.

Article 2-11. David Wanger would make the motion if it was held as a Consent Agenda item.

Article 2-12. Joe Domelowicz would make the motion for the Patton Homestead ask. John Pruellage would want to comment. Nick Tensen said the Patton Homestead, Inc. group would be speaking as well. It was considered to be one of Mr. Domelowicz' goals (as set by the Selectmen) to move the project along. Mr. Pruellage would explain why the FinCom voted not to make a recommendation. David Wanger referred to a prior version of the Warrant when the summary was much shorter and less of an advocacy instrument. Mr. Wanger added the fact that the initial agreement contemplated a lack of success in the endeavor by having a termination provision whereby upon sale, the Town would receive half of the proceeds and Mrs. Patton would control the other half for a charitable entity, would be noted at Town Meeting. Mr. Wanger suggested that a factual and accurate presentation be made rather than a sales pitch. John Pruellage would explain the facts and the FinCom's vote.

Article 2-13. Phil Stearns would make the motion and explain the Stabilization Fund.

Article 2-14. Phil Stearns would make the motion and explain the Capital Stabilization Fund.

Article 2-15. Darcy Dale would make the motion if the Consent Agenda article was held.

Article 2-16. David Wanger would ask Shawn Farrell if he might want to put the article in the Consent Agenda. If the article was not added to the Consent Agenda, David Wanger would make the motion and discuss that the money was being held pending negotiations.

Article 2-17. Nick Tensen would make the motion for the Water Distribution System. Tim Olson would field questions.

Article 2-18. Nick Tensen would make the motion for the Water Treatment Plant and Tim Olson would answer questions regarding organics and EPA compliance.

Article 2-19. Motion would be made by John Pruellage for the Chebacco Road paving project. Tim Olson would answer questions.

Article 2-20. The FinCom originally voted for \$550,000. The Selectmen questioned if the Town Hall Building Committee was ready. The revised ask would be for \$75,000. At 2018 Fall Town Meeting, the Town granted \$75,000 of CPC funding and \$100,000 of Town funds to obtain an Owners Project Manager (OPM) to have the process move forward. While all of those funds had not been spent, the balance was not sufficient for the next step. This Town Meeting, the Committee was requesting \$150,000 from CPC and \$75,000 from the Town. The conceptual

design was almost finished, but the public process needed to occur. The current request would have the Committee be able to go through the design and development phase including all OPM and architect expenses. By Fall Town Meeting 2019, the Committee would have an estimate but not bid numbers with the design development phase and design having been finished. Funding received this fall would be enough to have construction documents done and have the project be biddable. By April 2020, the Committee would have bids in hand when they asked for money for the final funding of the construction project.

Motion made by Nick Tensen for the FinCom to approve the requested appropriation of \$75,000 for the Town Hall Improvement Article 2-20.

Seconded by Darcy Dale.

Vote: Unanimous in favor.

The total ask if approved would be \$400,000 (Town \$175,000 and CPC \$225,000). Nick Tensen noted that the Town will have spent \$400,000 without producing bid documents, which might cost another \$300,000. Mr. Tensen noted that the project was quite an investment and wondered at what point one might feel the train could not be stopped. Phil Stearns noted the Committee was conscientious about spending.

Articles 3-1, 3-2, and 3-3. As the Planning Board had not finalized the language for any of the three articles and the FinCom had voted favorably on them, Darcy Dale would contact Brian Stein to ask for documents. The FinCom could reconvene to reconsider their vote when presented with the documents. The FinCom had not been informed regarding the status of the articles. Mr. Stein would make the motions for all three articles. The FinCom would explain why they voted and re-voted. The final language would be voted upon at the next FinCom meeting.

Article 4-1. Bill Olson would make motion on and speak about the Affordable Housing Trust By-law.

Article 5-1. David Wanger would move and speak about the article, which would establish the OPEB Trust Fund.

Article 6-1 was dropped.

The script would be provided for all speakers. All agreed that Phil Stearns had done a nice job orchestrating all the work that went into the creation of the narrative report.

Phil Stearns discussed what would be in his report at Town Meeting and noted that the timeliness for Town Meeting material was inappropriate and a detriment to the process. Mr. Stearns hoped the Selectmen would have the Warrant finished a couple of weeks ahead of time as there was nothing in there that had not been discussed for a long time. It was hoped the more complete Warrant could be finished early enough that other committees could deliberate over it and not have the Selectmen change it the night before printing. The \$143,000 number was questioned in the Inclusionary By-law and would need follow up. Darcy Dale would ask Brian Stein.

Phil Stearns would ask the citizens if the FinCom's development of the report was useful during his Town Report. Mr. Stearns would note the Town was in good financial shape with a AAA

bond rating and was well as being within the Proposition 2 1/2 levy limit. Property values increased 5.7% with the current budget built on a conservative 3% increase in property values for FY20. The tax rate was 16.22 in FY18 and 16.48 in FY19. 16.97 was projected for FY20. Mr. Stearns would say the trend was disturbing. David Wanger suggested interjecting that unlike our neighbor Wenham, the Town of Hamilton still had a taxing capacity pursuant to Proposition 2 1/2, even though we would not want to get there. Nick Tensen recalled that Marisa Batista had previously brought up concerning numbers that the Town was close to cap and needed to vote on it. Darcy Dale responded that the situation was due to the funding of the Stabilization Fund and Capital Stabilization Fund. Mr. Stearns added that the Town would be taking \$900,000 out of free cash that in previous years, was used to reduce taxes.

Phil Stearns would speak with Marisa Batista regarding the vetting of the Annual Report to ensure she was comfortable with what would be said at Town Meeting. The report would include that the average family home increased in value from \$566,000 to \$600,000, a 5.8% increase in valuation. Mr. Stearns would include that a portion of the Budget increase was due to new positions having been created. Mr. Stearns would note that the tax structure of the Town was linked to the nature of the Town, which had limited commercial properties, significant open space, and a highly ranked school system, each of which had a significant effect on the tax rate. Mr. Stearns would add that "We live here because we like it." Nick Tensen added that part of the marketing of the Town was the School, which was good for the Town as it added value. David Wanger asked to add that when reference was made that the School should fund something, it was not the School but the taxpayer who funded it.

Phil Stearns said he would talk about the financial policies, including which ones had been completed and which ones the Town was planning on completing. Mr. Stearns would note the two articles that related to the policies. Mr. Stearns would note the aging population trend and that the Town continued to need to have affordable housing. There was the PILOT issue, which had not been solved. David Wanger noted the progress on shared services. Nick Tensen mentioned the bonding capacity, the Capital Committee, and the Town Hall Building Committee with the FinCom having a liaison to both.

Darcy Dale referenced water quality as being a part of the report. Nick Tensen said the Town had been work on upgrading infrastructure, including piping, the plant, seeking new locations, and storage. Phil Stearns said he would discuss the significant increase in the cost of trash but did not want to discuss water as FinCom was not related to those activities. Mr. Tensen wanted to note the positive aspects of the gradual work. Trash options and their fiscal impacts for the Town and the world were discussed.

#### **Update on liaison assignments and committees.**

Nick Tensen said he had spoken with Carin Kale, who said members of Patton Homestead, Inc. said they wished they had been invited to speak with the FinCom. Mr. Tensen thought it was a fair statement. Phil Stearns recalled that the FinCom recommendation had been neutral. David Wanger reiterated that they did not meet their marks explicitly and that was what had been communicated. Ms. Kale would explain why she needed to move forward with the project. Mr.

Tensen said he had spoken with Chief Stevens regarding the contracts, which would expire in July. Chief Stevens did not think anything unusual was pending. Mr. Tensen said the Fire Department would be obtaining quotes to repair the fire department doors.

**Other topics not reasonably anticipated by the Chair.**

**Determine agenda for the next meeting, if necessary.**

Members would compare notes and run through Town Meeting process.

**Adjournment**

David Wanger made motion to adjourn.

Seconded by Darcy Dale.

Vote: Unanimous to adjourn at 8:11 pm.

Prepared by:

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Marcie Ricker

 04-28-19

Attest

Date